Antecedents of Customer Switching Behaviour:

Evidence from Banking & Wealth Management Firms

Synopsis of the Research Proposal

Submitted for the Registration in the

Ph.D. Programme

in

Management

By

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(Enrollment No. 25JPPHNDMS017)

Under supervision of

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Abstract

Customer switching behaviour has emerged as a critical concern in the banking and wealth management industry due to increasing competition, digital transformation, and evolving customer expectations. This study aims to examine the key antecedents influencing customer switching behaviour, including service quality, customer satisfaction, pricing policies, technological factors, and relationship management practices. Adopting a descriptive and analytical research design, the study utilizes both primary and secondary data, with responses collected through a structured questionnaire from young professionals aged 25–35 years across selected regions of India. A stratified random sampling technique is employed, with a sample size ranging between 500 and 700 respondents to ensure representativeness and statistical reliability. Data analysis is conducted using statistical tools such as mean, standard deviation, correlation, and regression. The study seeks to provide a comprehensive understanding of how functional and relational factors interact to influence switching decisions. The findings are expected to offer valuable insights for financial institutions in developing effective customer retention strategies and enhancing long-term customer relationships in a highly competitive environment.

Keywords: *Customer Switching Behaviour, Service Quality, Customer Satisfaction, Banking & Wealth Management, Relationship Management*

1. Introduction

The modern financial services environment has turned customer switching into a competitive factor, especially when considering banking and wealth management companies, which heavily depend on the long-term connections with a customer (Garatsa and Zishiri, 2025). The practice through which customers cancel or decrease their interactions with a particular financial institution and redirect their accounts, investments or advisory connections to rival companies is known as customer switching behavior. Data asymmetry and switching costs have fallen to very low levels due to the growing use of digital banking, the development of fintech and robo-advisory systems, and the increased customer awareness (Vyas and Raitani, 2014). This means that the customers are better placed to seek alternative service providers with more value, convenience, or performance. The antecedents of customer switching behavior is thus of importance to financial institutions who want to enhance customer retention efforts, build on relationship management, and gain sustainable competitive advantage (Kaura and Sharma, 2015).

1.1 Competitive Dynamics and Market Liberalization

Market liberalization, deregulation, and technological innovation have significantly transformed the banking and wealth management industry by intensifying competition and expanding customer choices through the entry of foreign institutions, private banks, and fintech firms (Ang, 2011). As financial products have become increasingly standardized, customers are more inclined to switch service providers over minor differences in interest rates, fees, returns, or digital service quality (Ben Ammar & Eling, 2015). Aggressive advertising, promotional incentives, and customized offerings further stimulate customer mobility, making switching behaviour a rational response in a highly competitive financial market (Kartasheva, 2014).

1.2 Role of Service Quality and Customer Satisfaction

The quality of services is generally accepted as a supreme precursor of customer switching in banking and wealth management companies. When the level of service quality is high, customers become satisfied, trustful, and loyal; however, in case of service failure, it may serve as a powerful push factor, which consequently results in switching intentions (Baksi and Parida, 2011). Factors like timely service delivery, precision of transactions and clear pricing mechanism, proper grievance management and competence of the relationship managers play a

great role in influencing service perceptions of the customers. The services offered to customers in wealth management firms are customized and relationship-focused, and their customers require consistent performance and proactive communication. Constant service failure, unfulfilled expectations, or lack of perceived concern that service personnel cares can destroy satisfaction in the long-run, eventually causing customers to start looking at substitute institutions that would be more consistent with their service expectations and financial objectives (Stevens and Jones, 2018).

1.3 Trust, Switching Costs, and Relationship Factors

The concept of trust and relational commitment is critical in determining customer switching behavior in financial services where customer switching behavior is high in financial risk and sensitivity to information as in the banking and wealth management scenario. Customers will be willing to stay with institutions that are perceived to be trustworthy and ethical and that demonstrate commitment to clients' long-term financial interests (Nora, 2019). Nevertheless, trust can be easily lost in cases of mis-selling of financial products, lack of transparency in advisory services, or perceived conflicts of interest, among other factors, which may trigger switching decisions rapidly. Meanwhile, both tangible and intangible switching costs act as moderating factors (Mulki, 2014). These costs consist of financial expenses, administrative complications, time requirements, and the psychological discomfort associated with switching service providers. Although switching costs can temporarily prevent customers to switch, these costs are not always effective in the long term due to the corrosion of trust and the low quality of relationships, which consequently causes customer loss (Moynihan and Harvey, 2015).

2. Literature Review

Ahmed, et al., (2025) examined, using a survey of 405 users and structural equation modeling, the elements of the mobile financial services industry in Bangladesh that influenced consumer switching behavior. It was observed that high pricing, the quality of service and technology, unfavorable reputation; inconvenience, dissatisfaction, and loss of loyalty were significant factors that caused the switching behaviour. The study determined a multi-stage decision-making process until the customers ultimately switched, providing useful insights that MFS providers used to improve service quality, reputation, customer retention, and subsequent sustainable growth.

Georgiou & Siakalli, M. (2023) examined how the behavioral antecedents of the Theory of Planned Behavior influenced retail banking clients' tendency to switch in response to different major switching events. Subjective norms, perceived behavioral control, and attitudes towards switching impacted switching decisions differently under various situations, based on a survey of 324 clients of Cypriot banks and an analysis of the responses using structural equation modeling (SEM). The study provided a unique explanation of customer responsiveness to similar negative events, thus filling an important gap in the research on banking switching behaviour.

Darmawan, D. (2022) explained that Customer switching behavior referred to the instances when customers changed from one product or service to another during periods of increased competition and technological change. The study was a literature review of switching behavior related to banking published since 2010. The results indicated that various factors affected switching, such as the quality of the services, trust, satisfaction, price, loyalty, bank image and reputation, switching costs, technological ease of use, and so on.

Goyal & Xiao, (2021) systematically reviewed 160 articles published between 1970 and 2020 to summarize the available literature on Personal Financial Management Behavior and its antecedents and outcomes in particular. Financial contentment, well-being, quality of life, and resilience emerged as some of the important outcomes of PFMB, which was determined by demographic, socioeconomic, psychological, social, cultural, financial literacy, and experiential and technical factors. The study offered the most comprehensive review of PFMB literature to date by providing an integrative framework and a detailed study agenda for the future.

Bhat & Parrey, (2018) delved into the fierce rivalry in the banking sector and stressed the importance of loyalty and trust in ensuring the survival of organizations. It took customer knowledge management (CKM) and customer happiness as a major antecedent, investigating the causes of customer trust in the retail banking sector. The study applied structural equation modeling and confirmatory factor analysis to investigate the causality between CKM, satisfaction, trust, and loyalty. It utilized survey responses from 412 clients of a private bank. The findings demonstrated that customer knowledge and satisfaction positively affected consumer trust, which in turn significantly affected customer loyalty, with trust mediating the relationship between the two. Overall, the study was viewed as contributing to the literature on

loyalty by empirically confirming the validity of these antecedents and providing managerial implications, but its validity in general was not high as it was based on one bank.

Mosavi & Keramati, A. (2018) analyzed the banking industry's consumer switching intention based on customer happiness, loyalty, trust, and perceived value. A conceptual model was tested using the survey data in conjunction with partial least squares structural equation modeling. The results indicated that happiness and loyalty had a negative impact on the intention to switch. Customers' pleasure and loyalty had a greater impact on their intention to stay when switching restrictions were in place. The findings shed light on the importance of structural relations and switching costs in banking services' efforts to enhance client loyalty.

Quoquab & Abdullah, N. L. (2018) investigated the factors that impacted consumers' intent to transfer mobile phone providers in Malaysia. It examined the moderating effect of contentment and the mediating effect of switching cost on service quality, customer satisfaction, consumer innovativeness, and switching cost. Results derived from a survey of 535 participants and PLS-SEM indicated that customer contentment, switching cost, and consumer innovativeness held significantly more importance than service quality in determining switching intention. The study emphasized switching costs and customer happiness to establish a successful strategy for customer retention and loyalty.

Revilla-Camacho & Cossío-Silva, (2017) focused on the customer-related antecedents of switching intention, particularly the customer citizenship behavior within the beauty care services segment. The study utilized PLS-SEM to analyze 947 consumers from 5 countries and examined how customer citizenship behavior related to the main attitude variables. The findings indicated that customer happiness, trust, and attitude loyalty were all positively affected by customer citizenship behavior. Customers' intents to switch service providers were heavily impacted by their level of satisfaction and attitude loyalty. The study provided useful information about the behavioral and attitudinal predictors of the customer switching intentions.

Shukla & Singh, J. (2016) explored the cause and effect of customer commitment in the luxury brand industry amid the rising competition. Results from the study indicated that different antecedents influenced levels of affective, calculative, and normative commitment in various ways, which in turn affected contentment with consumption and intentions to advocate. The findings highlighted the decisive role that affective commitment played in enhancing customer-

brand relationships and provided useful managerial insights on the management of luxury brands.

Stan, V. (2015) developed and tested a theory of customer loyalty as a function of perceived value, store image, customer satisfaction, switching costs, and perceived value for the consumer. In addition, it delved into the factors that influenced loyalty and how switching costs acted as a moderator. According to the findings, customer loyalty was largely determined by satisfaction, store image, and perceived value, although switching costs also played a significant effect. Switching costs reduced the relationship between a customer's perception of the store's value and their affinity for that brand.

3. Research gap

Although there has been a lot of research on customer switching behavior in the banking and financial services industry, most of it has focused on individual variables like service quality, trust, satisfaction, and switching costs rather than taking a more comprehensive look at pricing policies, technology, and relationship management practices (Darmawan, 2022; Mosavi and Keramati, 2018). Also, although behavioral models like the Theory of Planned Behaviour can be used to describe the switching propensity at certain incidences (Georgiou et al., 2023), little empirical research has examined how both functional and relational antecedents interact to predict switching propensity in the banking and wealth management setting. Also, the majority of studies are focused on developed or one-country settings, with little consideration of dissimilar and all-inclusive customer groups, hence limiting the contextual generalizability (Bhat and Parrey, 2018; Vyas and Raitani, 2014). This is a gap that requires a combined empirical study of various antecedents that determine the switching behaviour of customers in banking and wealth management companies.

4. Statement of the Problem

Even with major efforts made in service improvement, digital transformation, and relationship management, banking and wealth management companies are still facing the issue of losing customers in a highly competitive environment. Customers have access to a variety of options that provide competitive prices, innovative technological facilities, and customized services and this increases their tendency of changing their service providers. Nonetheless, financial

institutions still do not have a clear insight into how service quality, customer satisfaction and pricing policies, technological and relationship management practices combine in order to affect customer switching behaviour. This lack of a comprehensive empirical evaluation of these determinants presents a problem to the banks and wealth management companies in coming up with appropriate retention models.

5. Significance of the Study

The study is relevant because it assists in the development of a holistic view of the major antecedents that affect the switching behaviour of customers in the banking and wealth management sector. Through the empirical analysis of service quality, customer satisfaction, pricing policy, technological aspects, and relation administration practices, the study provides practical suggestions to managers, which could be made to increase customer retention and relationship strength. The study is valuable academically because it allows combining various determinants into a single constructive structure, thus enlarging the previous scholarship on switching behaviour. In practice, the results can assist policymakers and financial institutions to develop customer-oriented models to enhance loyalty and sustainability.

6. Research Question

1. What is the impact of service quality on customer switching behaviour in the banking and wealth management industry?
2. Is there a significant relationship between customer satisfaction and customer switching behaviour among banking and wealth management clients?
3. How do pricing policies and fee structures influence customers' intention to switch banking and wealth management service providers?
4. What is the impact of technological factors, such as digital banking platforms, service convenience, and system reliability, on customer switching behaviour?
5. What is the relationship between management practices, including personalized services, advisor competence, and communication quality with customer switching behaviour in the banking and wealth management sector?

7. Research Objectives

1. To examine the impact of service quality on customer switching behaviour in the banking and wealth management industry.
2. To analyze the relationship between customer satisfaction and customer switching behaviour among banking and wealth management clients.
3. To assess the impact of pricing policies and fee structures on customers' intention to switch banking and wealth management service providers.
4. To evaluate the impact of technological factors (such as digital banking platforms, service convenience, and system reliability) on customer switching behaviour.
5. To analyze the relationship between management practices (personalized services, advisor competence, and communication quality) and customer switching behaviour.

8. Research Hypothesis

H1: There is a significant impact of service quality on customer switching behaviour in the banking and wealth management industry.

H2: There is a significant relationship between customer satisfaction and customer switching behaviour among banking and wealth management clients.

H3: There is a significant impact of pricing policies and fee structures on customers' intention to switch banking and wealth management service providers.

H4: There is a significant impact of technological factors (digital banking platforms, service convenience, and system reliability) on customer switching behaviour.

H5: There is a significant relationship between management practices (personalized services, advisor competence, and communication quality) and customer switching behaviour in the banking and wealth management sector.

9. Research Methodology

9.1 Method Adopted

The study investigates client churn in the banking and wealth management industry using a quantitative research strategy based on survey data. A structured questionnaire is used for

primary data collecting from the respondents, and statistical procedures such as mean, standard deviation, correlation, and regression are applied to the data with the use of MS Excel and SPSS 27. This method is suitable because it will enable the objective measurement of the relationships between service quality, customer satisfaction, pricing policies, technology considerations, relationship management practices, and customer switching behavior. This will allow for the testing of hypotheses and the making of generalizations.

9.2 Data Collection

To get a complete picture of consumers' switching behaviour, the study draws on primary and secondary sources of data. Primary data are obtained directly in the form of the respondents by use of structured questionnaires or surveys conducted to the respondents who are differently abled so that the researcher can gather perceptions, experiences as well as behavioural intentions on their part. Scholarly journals, books, reports, government publications, and reliable online databases are used to derive secondary data to provide a theoretical background, research gaps, and aid the reflection of empirical results.

9.3 Research Design

The study will use analytical research design that will analyse the relationship between variables, testing of hypotheses, and the effect of independent variables on customer switching behaviour using statistical analysis.

9.4 Sampling Design

Random sampling is embraced in order to provide a sufficient representation of the various sub-groups of the population of the differently abled students. This is done by first dividing the population into homogeneous strata based on some relevant characteristics like type of disability, gender, age or educational level. Each stratum is then randomly selected to yield a sample, minimizing sampling bias, and improving the validity and applicability of the study results.

9.5 Study Area

The study is carried out in the Uttar Pradesh with the idea that the country has diversity in socio-economic aspects and different among accessibility and the service delivery of differently abled students. By Uttar Pradesh, the study will be able to capture the contextual issues like

policy frameworks, institutional support systems, and the technological infrastructure which may impact on customer switching behaviour.

9.6 Target Population

The target audience of the study comprises users of Banking and Wealth Management Firms. This segment is particularly relevant due to their high financial engagement, technological awareness, and evolving service expectations. Their sensitivity to service quality, pricing, digital convenience, and relationship management significantly influences satisfaction levels and switching behaviour. Examining this group provides valuable insights into customer retention challenges and helps identify service-related barriers that may lead to switching decisions in a competitive financial services environment.

9.7 Sample Size

The sample size will be 400 respondents where statistical legitimacy and reliability of the findings will be viable. The small size makes subgroup analysis meaningful and makes it possible to use highly complex statistical methods including regression and correlation analysis. It is also used in the reduction of sampling error and sufficient representative of the target population.

9.8 Variables of study

- **Dependent Variable:** Customer switching behaviour is the trait of respondents who tend to stop using a service provider and switch to another. The study measures it using such indicators as intention to switch, previous switching experience, and probability to recommend or abandon a service. This is the variable that is the main outcome of the study.
- **Independent variable:** An organization's service quality, customer happiness, pricing policies and fee structures, technology, and relationship management practices are all considered independent variables in the study. These factors are significant in deciding whether customers will continue to be satisfied with the service or seek alternatives. High service quality and satisfaction perceptions enhance retention and unfair pricing, poor technology, and poor relationship management enhance the switching prospects. All these variables contribute to the difference in customers switching behaviour.

9.9 Conceptual framework

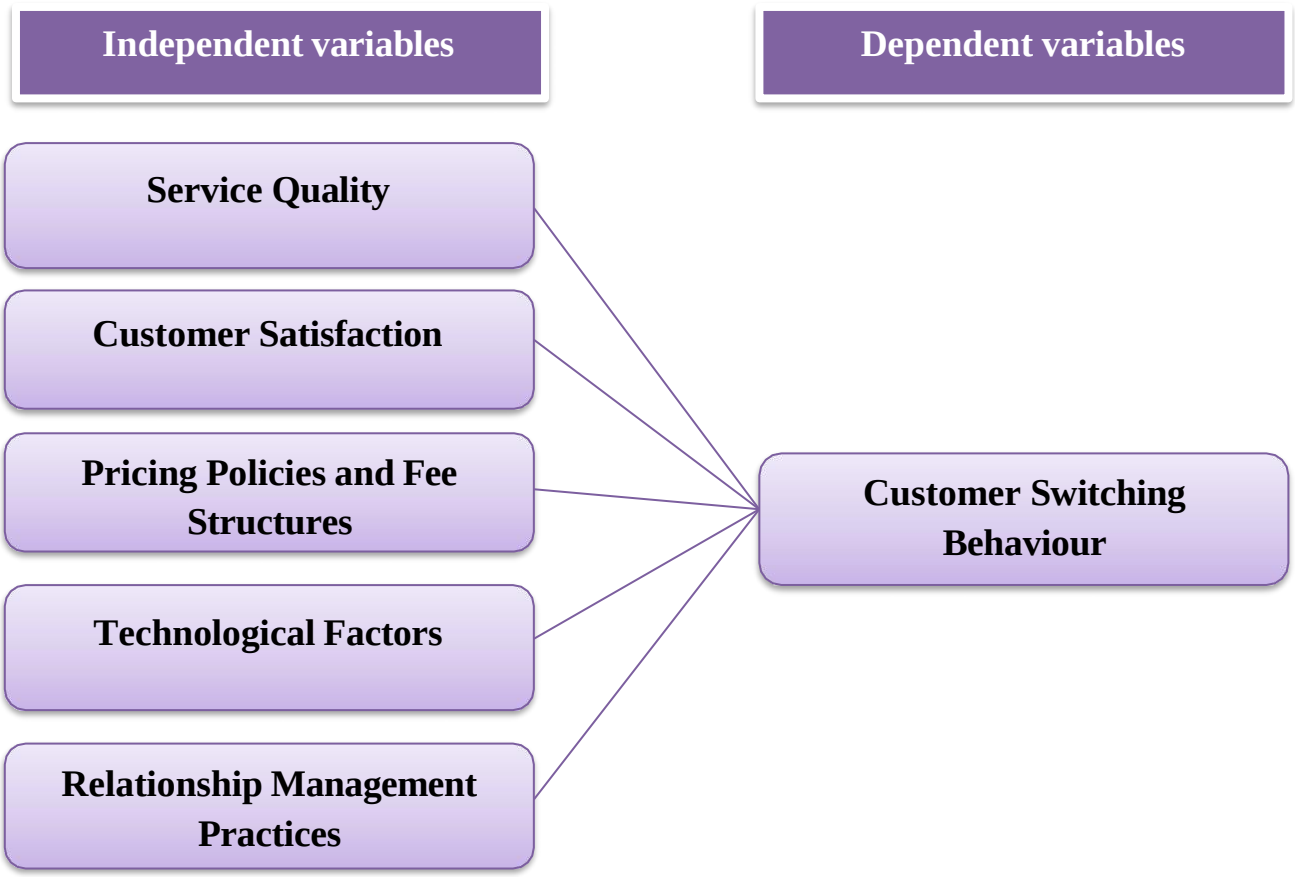

Figure 1.1: conceptual framework

9.10 Research Tools

The research tools used in the study were the use of MS Excel and SPSS version 27 in the processing and analysis of data. Data entry, Data coding, data cleaning and data organization, data tabulation, data sorting, data filtering, preliminary analysis including charting and descriptive summaries were done using MS Excel to get an idea of the basic data trends. The advanced statistical reasoning was performed using the SPSS 27 that made it possible to manage large volumes of data and apply the descriptive and inferential statistical methods including correlation, regression, hypothesis testing, etc, which guaranteed the accuracy and reliability of the data analysis process.

9.11 Statistical Techniques

The summary and interpretation of the data in terms of central tendency and variability are provided by means and standard deviation as descriptive statistics. Correlation analysis assists in establishing the nature and the direction that exist between independent variables and the switching behaviour by customers. Regression analysis is a powerful tool for predicting and influencing customer switching behavior. It takes into account aspects such as service quality, customer happiness, pricing policies, technology considerations, and relationship management techniques.

10. Limitations of the Study

1. The study is restricted to U t t a r P r a d e s h , and it may have an impact on the generalizability of the results.

2. Self-reported questionnaires are used to gather data and are therefore prone to response bias.

3. The study is based on the chosen antecedents and lacks psychological or cultural influences.

4. The cross-sectional data does not allow studying changes in the switching behaviour over the time.

5. The sample size is sufficient but might not represent all the types of clients of the banking and wealth management in their entirety.

11. Work Plan of the research

Phase	Task	Start (Month)	Duration (Months)
Phase I	Literature Review	0	4
Phase II	Framework Development	4	4
Phase III	Data Collection	8	4
Phase IV	Data Analysis	12	4
Phase V	Interpretation	16	4
Phase VI	Writing & Submission	20	4

Phase	0–4	4–8	8–12	12–16	16–20	20–24
Phase I						
Phase II						
Phase III						
Phase IV						
Phase V						
Phase VI						

12. Expected Outcomes of the Study

1. Determination of important factors that affect customer switching behaviour in banking and wealth management.
2. The relationship between the effect of service quality, pricing, technology, and relationship management.
3. Improved interpretation of the customer satisfaction as a motivation to switch.
4. Practitioner led understanding of the ways in which banks should have conducted effective customer retention strategy.
5. Formulation of a valid conceptual framework in future study.

13. Tentative Chapter Plan

Chapter 1 Introduction: This chapter provides a foundational overview of the topic of client churn in the financial services sector. Highlighting the study's background, rationale, purpose, hypotheses, scope, and significance, it delves into the ways in which consumer mobile impacted by competition, technological change, and market heterogeneity. It specifically examines the key factors of switching behavior.

Chapter 2 Review of Literature: This chapter summarizes the existing theoretical and empirical literature on client switching behavior in the banking and financial services industries. Previous studies have identified important factors, and this section addresses those factors as well as research gaps and limitations that may give light on why the study is necessary.

Chapter 3 Research Methodology: This section details the research strategy, data sources, sampling technique, and study location, population of interest, sample size, and data collection procedure. It goes on to detail the exact statistical software and procedures used to determine the results and verify the theories.

Chapter 4 Data Analysis, Interpretation and Discussion: This chapter analyses the data gathered in the previous chapter on the respondents in the proper statistical methods. It examines the relationship between the independent variable and the switching behavior of customers and provides an interpretation of the results in light of the study objectives.

Chapter 5 Findings, Conclusion, and Recommendations: In this chapter, the most essential findings of the study are summarized and conclusions regarding the research are drawn. It speaks about practical implications, provides recommendations to banking and wealth management companies, and provides guidelines on future research.

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